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SUBJECT: NIGERIA: AN ANALYSIS - YAR'ADUA AND HIS GOVERNMENT
AT EIGHT MONTHS

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Classified By: Ambassador Robin R. Sanders for reasons 1.4. (b & d).

[1](#)1. (C) Summary: This is the first in a series of two analytical cables that will take a close look at President Yar'Adua and his government during their first eight months in office, providing a report card of how we think he and his administration have done. This will be followed by a "Look Ahead Cable" as to where we believe Nigeria will be headed depending on how power struggles within the ruling People's Democratic Party (PDP) play out for party chairmanship and whether the Presidential Tribunal examining the April 2007 election rules to uphold or annul Yar'Adua's election. The Tribunal verdict is now scheduled to be announced on or about February 26, interestingly enough while the President is scheduled (as of now) to be in China. We now believe that President Yar'Adua has perhaps a 50-50 chance of prevailing. End Summary.

Introduction

[1](#)2. (C) There is a growing consensus among political actors and observers in Nigeria that the decision of the presidential election tribunal will largely be a political one. The judges at both the tribunal and Supreme Court are well aware of the historic impact of their verdict. As the tribunal judges deliberate, it is therefore important to examine the achievements of the Yar'Adua administration. This cable attempts to evaluate what the current government has accomplished in its first eight months, with the understanding that Yar'Adua's achievements, or lack thereof, have played an important role in the mind of the judges as they consider whether or not to overturn his election on February 26.

13. (C) In reviewing and assessing President Yar'Adua's first 100 days in office, Post's view is that although he said the right things, he has few concrete accomplishments to show for his time in office. This is a result of not only due to the "legitimacy question" hanging over his head due to flawed elections and the long delay and challenges of naming ministers (Ref A), but also because of his slow, deliberate work style of examining everything in excruciating detail. However, despite early statements that the administration's top priority would be addressing the Niger Delta conflict and Nigeria's power supply, little concrete progress has been achieved in either area to date, although the President announced on Feb. 18 that he had draft legislation on the energy sector headed for the Assembly next month. Despite this, President Yar'Adua has earned some praise in some quarters for giving both his subordinates and other branches of government -- especially the judiciary early on -- the freedom to do their jobs without excessive interference. The National Assembly and the courts have been using their new-found freedom -- a trend which bodes well for the long-term health of Nigeria's democracy. (Note: Yar'Adua's Feb. 22 nomination of the head of the Presidential election tribunal to the Supreme Court is being viewed by some as his first attempt to influence the judiciary. End Note.)

14. (C) Overall, the President has for the most part made good on his pledge to fight corruption and improve transparency, though the December 2007 transfer of EFCC Chairman Ribadu threatened to detract from these achievements. Since Ribadu's removal, the Acting EFCC Chair has assured us that the vigor and freedom to carry out investigations have not been hindered. Although economic growth is strong, the GON has not carried out measures to develop industry or other sectors to increase employment and reduce poverty. Progress

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on needed infrastructure is painfully slow, and a trade regime tied to the tradition of economic cronyism also stifles economic growth and trade. The President and his economic management team are expected to roll out pronouncements of new reforms to address these areas following enactment of the budget, which is still being worked out between the executive and legislative branches of government. While Yar'Adua pledged election reform would be a top priority and has a national committee working on the issue and developing recommendations, no major changes have been made yet, and none are expected until after the election tribunals have concluded their work. With regard to foreign relations, the President has continued peacekeeping commitments, although response times are slower than we would like on Somalia, and is working for stronger relations with the U.S., particularly with regard to the Executive Branch and private sector, and other Western donors. The proactive international approach taken by his predecessor is missed when regional crises arise, but for many Nigerians (both inside and outside of government) this is seen as a good thing as their desire is to really get the country's house in order with more focus on the domestic issues. End Introduction.

Little Progress on Niger Delta

15. (C) The much talked about Niger Delta conference has not yet taken place and the President's peace panel talks with Delta militants lasted six months but showcased little to no tangible results for the region. These six months of relative peace, however, deteriorated in December 2007 following a military Joint Task Force raid on militant-turned-criminal leader Ateke Tom's camp in Rivers State. Contacts suggested this raid signaled to all Niger Delta militants that the government could be duplicitous, offering talks on one hand and military attacks on the other (Ref B). While militant leader Tom Polo in Delta State appears committed to peaceful negotiations, as a payoff we understand for lucrative oil bunkering activities, some criminal and/or militant factions in Bayelsa State killed

officers while attacking a military houseboat in February, with the military presence in the state subsequently increasing.

¶6. (C) In September, Vice President Jonathan was appointed the GON's main negotiator with Niger Delta youth and militants, replacing Government Secretary Babagana Kingibe. However, there have been mixed reactions to his involvement as youth in the Delta fear his concessions to them are too great to sell to government (Ref C). Many Niger Delta contacts believe (which has been confirmed by our oil major contacts) powerful individuals in both the government and the military do not want to see a peaceful south, as many of them are culpable in the oil bunkering business, making great financial gains.

¶7. (C) The Niger Delta Development Commission (NDDC), the Federal Government's primary development body in the region, is widely viewed as lacking capacity and credibility, with many of its officers involved in the siphoning off of billions of naira for their own personal gain. Despite this, the NDDC Chairman said the Commission has received more consistent funding under President Yar'Adua than it had under Obasanjo (Ref D). Many Niger Deltans, including Niger Delta leader Dokubo Asari (who was released from prison last year as part of the effort to kick-start talks), have commented they think Yar'Adua has good intentions for the region but question his independence. They doubt his ability to effectuate change (Ref E) with the entrenched political elite, as he does not have his own power base within the ruling People's Democratic Party. (Note: Former EFCC Chairman Ribadu also felt that Yar'Adua was hamstrung for the same reason and had to eventually bow to pressure to send him on a year's study tour. End Note.) In addition, a wide range of Niger Delta inhabitants told a visiting Washington official in January they expect little change in the region during ¶2008.

Power and Poverty Remain Problematic

¶8. (C) The President announced in the early days of his

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administration that improving Nigeria's power supply would be a top priority, promising to double the nation's power supply from 3000 to 6000 megawatts. However, to date, electricity generation remains a problem. Yar'Adua told the National Assembly in January that his predecessor had spent \$10 billion on the power sector and accomplished almost nothing (although there are disputes between the power sector, executive, and legislative branches about just how much was spent). Yar'Adua has therefore not asked for more money in the 2008 budget for electricity. Instead his focus is on current projects and making better use of available funds. While plans for bringing new plants on line and adding new ones could increase power supplies before the end of the year, much of that increase is dependent on increasing domestic supplies of natural gas. Gas policies are also currently in flux. Although Yar'Adua announced at the country's annual Oil and Gas conference on Feb. 18 that he has draft legislation on energy sector reform pending to be forwarded to the legislature, we are hearing from oil contacts that some of the recommended reforms remind them of Venezuelan policies. If true, this would be worrisome and is something Post is watching.

¶9. (C) Although economic growth is strong, the GON has not carried out measures to develop industry or other sectors to increase employment and reduce poverty. Progress on needed infrastructure is painfully slow, and a trade regime tied to the tradition of economic cronyism also stifles economic growth and trade. The President and his economic management team are expected to roll out pronouncements of new reforms to address these areas following the enactment of the budget. Yar'Adua has also made a commitment to work with us on a bilateral investment treaty (BIT), and TIFA talks and AGOA

work plan discussions are ongoing.

¶10. (C) Yar'Adua's promise to get the Kaduna and Warri refineries back in operation by the end of 2007 was partly met when Warri began refining gasoline in early February. However, the nation's other refineries remain off-line, and we are hearing that the Kaduna refinery might be back up in late May 2008. Our Oil Major contacts in Escravos noted on Feb. 18 that the West African pipeline destroyed by militants should be back up by end of April. Meanwhile, Nigeria is still forced to import significant amounts of gasoline. Domestic production of petroleum products remains a major challenge and there has been no visible movement on the restructuring of the Nigerian National Petroleum Corporation (NNPC). Experts say that industrial capacity and production are actually shrinking, largely due to the power supply problem, but also due to the high cost factors of production owing to high tariffs and import bans, high transport costs, and corruption.

¶11. (C) Critical petroleum related legislation has stalled. No significant legislative work on sector fiscal terms, local content rules, or downstream gas regulation has occurred since last year. Industry lobbyists blame a series of scandals in the National Assembly, wrangling over the 2008 budget and an administration unwilling or unable to get this complex legislation restarted.

National Assembly and Judiciary Obtain Freedom to Grow

¶12. (C) President Yar'Adua notably did not intervene in the July 2007 selection of Patricia Etteh as Speaker of the House and David Mark as Senate President. (Note: it is widely believed that ex-President Obasanjo was heavily involved in their selection and that they did not enjoy grassroots support from rank and file PDP members of the National Assembly. End Note.) President Yar'Adua also stayed above the fray when a scandal broke out over alleged improper use of assembly funds (N628 million) by Speaker Etteh and her Deputy for such perks as renovating their official residences. Though it took the legislature months to resolve the issue (leading to Etteh's eventual ouster and the election of a new Speaker), the experience was a positive one in that the so-called "Integrity Group" emerged within the House and Dimeji Bankole from the Integrity Group was elected as the new Speaker (Ref F). The legislature is still trying to find its way and define its oversight function, in part because the body is not used to having so much freedom.

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Though the legislature has been moving slowly, there are signs the Members are trying to do much greater oversight of the executive branch, as evidenced in the passage of the 2008 budget. Thanks to Assembly oversight, the government uncovered secret accounts containing billions of naira of unspent funds from previous budget years that will be rolled over into the 2008 budget. Yar'Adua's non-interference with the legislature is good for the growth of democracy in Nigeria, but unfortunately long term and institutional changes will come slowly.

¶13. (C) Nigeria's judiciary has been a true success story in past months. The judges at various levels have been widely and publicly lauded for courageous decisions, some of which went against the interests of the ruling party. It is noteworthy that there has been no visible interference by the Presidency in high-profile court cases. The courts have overturned six gubernatorial elections, including that of Yar'Adua's son-in-law in Kebbi State (Ref G). Perhaps most noteworthy was the Supreme Court decision June 15 overturning the election of Obasanjo loyalist Andy Uba as Anambra Governor. The Court re-installed Peter Obi, of the opposition APGA party, on grounds that he had not yet served his four-year term (having been kept out of office for several years by an impeachment later ruled illegal). Hence, this meant that no April 2007 gubernatorial election should

have been held in Anambra. This ruling has major impact on future election challenges, since it suggests that an incumbent gains no advantage by delaying the tribunal proceedings as the eventual winner will still serve a full term. Yar'Adua has consistently and publicly called for respect for and implementation of court decisions. This is a noteworthy change from his predecessor and a development that seems to be having a positive impact on the courts and on respect for the rule of law. That being said, as noted above, his February 21 decision to nominate the Presidential Election Tribunal Chairman as the new Supreme Court Justice is being noted by some as Yar'Adua's first attempt to influence the upcoming ruling on his election. We, too, see this as an unpleasant step.

Election Reform on Hold

¶14. (C) President Yar'Adua has publicly admitted the April 2007 election was flawed and that Nigeria's electoral system is in need of major reform. He inaugurated an Electoral Reform Committee in August 2007 (Ref I). Though most of the members of the panel are credible individuals, the body has not made any of its recommendations to date public, and from the outside seems to be very slow to take action. Many observers worry that a lack of visible results in the near term may dilute its effectiveness in the long term. President Yar'Adua also convened another meeting about electoral reform in January 2008, but the four new working groups are comprised of politicians and government officials with a vested interest in the current system, leading most observers to doubt they will have any real impact (Ref J). One of the biggest issues is that nearly ten months after the flawed April 2007 general election, there have been no changes of policy or personnel at the Independent National Electoral Commission (the body which, by law, is still responsible for rerunning whatever elections the Tribunals eventually annul). Thus, there is little hope that any upcoming polls will be better executed than those of April 2007, and recent local government elections in several states have been marred by violence, disorganization and low turnout.

War on Corruption in Progress

¶15. (S) From his first days in office and as recently as his important speech at Davos in January 2008, President Yar'Adua has made public statements about his commitment to fighting corruption. His first tangible action in this regard was to publicly declare his assets soon after taking office (though he notably did not require other government officials to follow his example and we have subsequently heard that he may have assets elsewhere which have not been declared). The Economic and Financial Crimes Commission (EFCC) has been active in the past eight months and public trust in the institution is high. Seven former governors have been

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arrested and are on trial for corruption, but it is not yet clear whether they will be convicted and what sentence, if any, they will receive. Other egregious offenders (e.g. ex-President Obasanjo, or ex-Governor Odili) are still free, though the EFCC has said publicly that prosecutions of other former officials (unnamed) are still in progress. The unexpected December 2007 transfer of EFCC Chairman Ribadu was an obvious and clumsy misstep. (Ref H) Though it appeared at first to be major backsliding on his anti-corruption commitment, the subsequent appointment of Ribadu-ally Ibrahim Lamorde as acting Chair has done much to calm public fears. Lamorde himself has reassured us that things are on track with the same vigor as before. (Comment: we, of course, continue to watch this one closely. End comment.)

¶16. (C) The January 2008 appointment of the National Stakeholder Working Group on the Nigerian Extractive Industries Transparency Initiative (NEITI) was also a positive sign for increased transparency in Nigeria. Mission

officers have heard good things about the Chair of the working group and the diplomatic community looks forward to meeting with him soon to discuss the way forward.

¶17. (S) Though the administration's record on corruption (with the exception of poor handling of the Ribadu transfer) has been fairly positive, there is one note of caution. Mission officers have heard talk about the emergence of a so-called "Katsina clique" around the President, who allegedly restrict access/information flow to the President and may be involved in corruption. The group seems to include the first lady, economic advisor Tanimu Yakubu, and Agriculture Minister Ruma, with the first two being cited by Ribadu as real problems with regard to illicit enrichment.

Positive Relations with U.S., Yar'Adua and Foreign Policy

¶18. (C) President Yar'Adua seems to favor close and strong relations with the United States, as evidenced by the open door he has extended to the Ambassador and the success of his December 2007 White House visit. Following a February 11 briefing by the Ambassador and a Mission interagency team to key GON Ministers on February 11 as part of a Washington trip follow-up, the President agreed with the Ambassador that regular meetings between them to address U.S.-Nigerian bilateral issues and concerns should be established. President Yar'Adua has traveled more than many observers had expected (given his health problems) and been an active participant at world events such as the UN General Assembly, African Union summit, and World Economic Forum in Davos. The GON remains committed to its peacekeeping commitments in Sudan and Somalia (although slow here in delivering), but its lofty statements of support are often contradicted by the military's financial and equipment limitations. Nigerian military commitments have required and will continue to require foreign military support in terms of funding, training and equipment. One negative is that President Yar'Adua has not been prepared to be engaged as a regional conflict mediator in the way his predecessor was. A more energetic and forceful Nigerian President -- like Obasanjo was -- would almost certainly have weighed in on the recent crisis in Chad, and perhaps in Kenya and Sudan as well. However, Nigerians are not complaining about this. In fact, most prefer someone who will really take domestic issues at hand and fix some of the country's fundamental problems. They see Yar'Adua as possibly the man to do this, but are beginning to worry that he is too slow, or too blocked by the powerful political elite to really make things happen.

Yar'Adua's Health

¶19. (C) On the President's health, of late he has shown constant vigor, or at least vigor for him, as he is not a fast mover or talker. He travels constantly in Nigeria and ensures his presence at what is viewed by us as the most mundane events held in states. He still has this involuntary and periodic cough, but so does his wife, who suffers from asthma. Therefore both their coughs could just be related to Katsina dust.

Comment

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¶20. (C) Comment: Though President Yar'Adua has not been able to do much yet about his stated priority areas (Niger Delta, power supply, election reform), his administration's commitment to the rule of law and willingness to allow other parts of the government to exercise their proper roles is having some impact. But we say all of this still with some caution as the election tribunal decision draws near. If only by default, his less interventionist approach is allowing the democratic development of the judiciary and legislature, and appears to be allowing the fight against corruption to proceed, although we recognize there are still many with hidden agendas within his inner circle who are

trying to thwart the rule of law. He has also maintained positive relations in the region and wants strong ties to the U.S. The challenge in coming months is for Yar'Adua to convince both the Nigerian public and the judiciary that his administration is strong and taking Nigeria in a positive direction. His argument is hampered by the lack of tangible progress in areas that touch the daily lives of ordinary Nigerians, such as power generation, education, health, jobs, and infrastructure. While the outcome of the Tribunal remains uncertain (we quite unscientifically rate Yar'Adua's chances of prevailing at about 50%), the Mission believes that key elites (including the Tribunal and Supreme Court judges) might not only take these limited achievements into account but more importantly recognize that the stability of the country at this time might be better served with Yar'Adua remaining in place. In the long run however, if he prevails, he will have to deliver in areas like electoral reform, job creation, energy reform, and infrastructural development to solidify his support from both the Nigerian public and the international community, and in addition he will need to pick up the pace. We are assuming, as are many Nigerians, that if he is successful on Feb. 26 and remains in office, that things will change. However, if they do, then we could certainly see a lot more restlessness, and this does not bode well for Nigerian politically or economically. End comment.

121. (U) ConGen Lagos contributed to this cable.
SANDERS